

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
SUPPORT SERVICES DIVISION
FINANCIAL SERVICES SECTION
550 W 7TH AVE SUITE 1410
ANCHORAGE AK 99501-3561
(907) 269-8500

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

REC DATE - AGREEMENT NUMBER -- CUST NO RECEIPT DESCRIPTION
12/05/2011 3418837 OIL AND GAS FILING FEE

	CASH AMOUNT	\$0.00
CHECK NUMBER 817401	RECEIPTED AMOUNT	\$500.00

REMITTER: STOLE RIVES
900 SW 5TH AVE STE 2600
PORTLAND OR 97204

COMMENTS: APP. FOR EXTENSION OF THE KITCHEN LIGHTS AGREE/SQ

RECEIPT - DO NOT PAY



RECEIVED
DEC 05 2011
DIVISION OF
OIL AND GAS

510 L Street, Suite 500
Anchorage, Alaska 99501
main 907.277.1900
fax 907.277.1920
www.stoel.com

December 5, 2011

JONATHAN E. IVERSEN
Direct (907) 263-8420
jeiversen@stoel.com

VIA HAND DELIVERY
VIA EMAIL: bill.barron@alaska.gov

William. C. Barron
Director, Division of Oil & Gas
State of Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1100
Anchorage, AK 99501-3560

Re: Application for Extension of the Kitchen Lights Unit Agreement

Dear Director Barron:

Enclosed please find Furie Operating Alaska, LLC's Application for Extension of the Kitchen Lights Unit Agreement. Attached to the Application are the following documents:

- (1) Furie Operating Alaska, LLC Chart of Permits
- (2) Furie Operating Alaska, LLC /DNR Communications Log
- (3) Furie Operating Alaska, LLC /DNR Meetings Log
- (4) Kitchen Lights Unit, Exhibit A, Kitchen Lights Unit Tracts/Leases (Confidential)
- (5) Kitchen Lights Unit, Exhibit B, Map of KLU With Exploration Blocks (Confidential)
- (6) Kitchen Lights Unit, Exhibit G, Amended and Restated Plan of Exploration Filed in Conjunction With Application to Extend Unit Agreement, December 5, 2011

Also enclosed is payment of five hundred dollars (\$500.00) per 11 AAC 05.010. Please contact me or Ed Oliver, President of Furie Operating Alaska, LLC if you have any questions or would like additional information. A signature page for the Application for Extension of the Kitchen Lights Unit Agreement bearing Ed Oliver's signature is forthcoming.

Best regards,



Jon Iversen

cc: Edward Page Oliver, Furie Operating Alaska, LLC
Patricia Bettis, DNR



Corporate Headquarters
100 Enterprise Avenue
League City, Texas 77573
(281) 957-9812
Fax (281) 957-9156

Alaska Office
1029 W. 3rd Avenue, Suite 500
Anchorage, AK 99501
(907) 277-3726
Fax (907) 277-3796

December 5, 2011

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

VIA HAND DELIVERY
VIA EMAIL: bill.barron@alaska.gov

William C. Barron
Director, Division of Oil & Gas
State of Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1100
Anchorage, AK 99501-3560

Re: Extension of Kitchen Lights Unit Agreement

Dear Director Barron:

Furie Operating Alaska, LLC (Furie), formerly Escopeta Oil Co., LLC, hereby applies for an extension of the Kitchen Lights Unit (KLU) Agreement pursuant to 11 AAC 83.336 to January 31, 2016. Furie's attached Amended and Restated Plan of Exploration (POE) reflects Furie's desire to continue its responsible exploration of the KLU with the intent of assisting Alaska in the development and production of its much needed natural gas reserves. Furie has conducted its drilling operations in a manner consistent with prudent drilling operations and in full compliance with all pertinent regulatory approvals, orders and directives. The testing for the presence of hydrocarbons that was done in conjunction with this drilling activity produced interesting and promising results. This activity, and the testing results, justifies a finding that

extension of the Unit Agreement is in the public interest. Accordingly, DNR should approve extending the Unit Agreement as requested herein.¹

Furie has successfully brought a jack-up drilling rig into Cook Inlet and drilled the KLU #1 well to a depth of 8805 MD. Pursuant to appropriate regulatory approvals, orders and prudent drilling practices, Furie has suspended drilling operations for re-entry of the KLU#1 well in 2012.

In applying to extend the term of the KLU Unit Agreement, Furie seeks to move forward with continued exploration and development of the KLU in a constructive and collaborative manner that benefits all parties and the public and which avoids disputes or appeals regarding the good standing of the Unit Agreement. Please note that in making this application, Furie does not waive any arguments regarding the term, extension or good standing of the Unit Agreement, or the previously approved POE, and expressly reserves the right to make any such arguments in the future, if necessary. Furie is willing to make the commitments reflected in the POE absent an event beyond Furie's reasonable foresight and control as contemplated by 11 AAC 83.336.

Background

Furie has been engaged in frequent discussions with DNR regarding the KLU POE, Unit matters, drilling operations and information requests from DNR, since July 2011.² On October 13, 2011, Furie submitted a revised POE to DNR, which was later amended on November 9, 2011 to accommodate DNR's comments. Furie met with DNR staff to discuss the POE on October 26, 2011 and November 9, 2011 and the POE was also discussed both telephonically and in person with DNR on several other occasions.

Furie understands and shares DNR's commitment to safe and responsible development and has conducted its drilling operations in full compliance with all appropriate regulatory requirements. Furie is committed to following best oilfield practices in exploring and developing the KLU. Furie has fully cooperated with DNR and other regulatory agencies and will continue to work with all appropriate regulatory

¹ DNR should also approve Furie's Amended and Restated Plan of Exploration filed in conjunction with this application.

² This is not to suggest an absence of communication prior to this date regarding the Plan of Operations, permits, required reports and information filings, etc. Rather, the frequency of discussions increased in July 2011 and subsequent months with the jack-up rig's transport to and arrival in Alaska and these discussions were largely focused on the KLU POE, Unit matters, drilling operations and information requests from DNR.

agencies to ensure full regulatory compliance. The attached Chart of Permits shows the permits that were obtained for the 2011 drilling season.

Furie has fully satisfied requests for information from DNR and has on several occasions asked DNR whether additional information was necessary. Furie has gone to great lengths to ensure that it provided all information requested, including but not limited to the following:

- detailed information regarding Furie's business structure and finances;
- information regarding specific personnel including an organizational chart and resumes of core operational personnel;
- detailed information regarding insurance and bonding;
- well data including well logs and analysis;
- a number of structure maps of the KLU;
- daily reports of drilling operations;
- rig location reports including mobilization to Cook Inlet, and then from the well site to Port Graham;
- a shallow hazard survey as well as the underlying data;
- all information required under the Plan of Operations; and
- an operator questionnaire although the company has been operating in Alaska for years.

Attached please find a communications log that references information that was provided to DNR from March 2011 through the date of this application. Also attached is a meetings log that shows the frequency of telephonic and in-person meetings between Furie and DNR from July 2011 through the date of this application.

Discussion

AS 38.05.180(p) authorizes the Commissioner to approve an oil and gas unit. DNR evaluates extensions of unit agreements under 11 AAC 83.336(2) and must consider the criteria specified in 11 AAC 83.303. Furie explored responsibly in 2011 and has planned a responsible exploration program that makes commitments for exploration drilling and timely development of much needed natural gas. Extending the Unit Agreement promotes conservation of all natural resources, promotes the prevention of economic and physical waste, and provides for the protection of all parties in interest, including the State. In evaluating these factors, DNR will consider the criteria set forth in 11 AAC 83.303(b). As discussed below, an extension of the Unit Agreement until January 31, 2016 is in the public interest and should be approved.

1. The Environmental Costs and Benefits of Unitized Exploration or Development.

Furie has taken and will continue to take all necessary measures to prevent or mitigate environmental impacts from its activities. Extending the Unit Agreement does not amend any mitigation measures as stipulated in the leases, the Plan of Operations, or elsewhere. Furie has complied with and will continue to comply with all permitting requirements. Extending the Unit Agreement does not pose any risk to the environment.

Further, exploration and development in a unit will result in fewer environmental impacts than would likely occur if exploration and development were on a lease-by-lease basis, or by multiple operators with varying business models and objectives.

2. The Geological and Engineering Characteristics of the Potential Hydrocarbon Accumulation or Reservoir Proposed for Unitization.

DNR has previously considered the geological and engineering characteristics of the KLU.³ More recently, Furie has provided geological, geophysical and engineering data from the KLU #1 well, including well logs and third-party (NuTech Energy Alliance and Waters Petroleum Advisors) analysis of the logs. Furie provided this information on November 9, 2011 with the assistance of Waters Petroleum Advisors, and met with DNR to discuss the data and the POE on that date. Furie, with both Waters Petroleum Advisors and NuTech Energy Alliance, again met with DNR on December 1, 2011 to provide additional presentations regarding geologic data and a discussion of the well data and analysis. The attached communications log shows that the well data has been provided.

The well logs and geological analysis show significant hydrocarbon intervals and are very encouraging, particularly given that the well was only drilled to 8805 MD, about half the depth to which it ultimately will be drilled. Furie is planning to re-enter the KLU#1 well in 2012 and drill into pre-Tertiary for further evaluation and testing. Furie then plans to drill additional delineation/development and exploration wells. Extending the Unit Agreement will allow the delineation of the size and extent of the accumulation.

The geologic structure of the KLU has been shot with 2-D seismic. Former lessees of this acreage have done considerable geophysical evaluations of the area. Furie, through its predecessor Escopeta Oil Company, LLC has reprocessed over 300 line miles of seismic which covers approximately 160 square miles. The existence of the KLU geologic structures have been well known for several years.

³ For instance, see pages 5-10 of the June 30, 2009 decision approving the Application for Expansion of the Kitchen Unit Area to Form the Kitchen Lights Unit.

Extending the Unit Agreement will also aid in ensuring that the Unit area is explored earlier than it would be on a lease-by-lease basis. If the Unit were to terminate, the leases would have to be re-leased and the lessees would have to acquire and process seismic data, obtain permits and acquire an appropriate offshore drilling rig to explore the Unit area. Thus, not extending the Unit Agreement would likely delay exploration and development by a number of years.

3. Prior Exploration Activities in the Proposed Unit Area.

DNR has previously considered prior exploration activities in the Unit area.⁴

4. The Applicant's Plans for Exploration or Development of the Unit Area.

Furie has obtained a jack-up rig and put it to work in Cook Inlet. The Amended and Restated Plan of Exploration submitted simultaneously with this Application is a responsible path for exploration and development of the KLU. Furie has invested considerable resources⁵ and fully intends to explore, drill and develop the Unit area to

⁴ For instance, see pages 5-10 of the June 30, 2009 decision approving the Application for Expansion of the Kitchen Unit Area to Form the Kitchen Lights Unit.

⁵ For 2011, the POE reflects the discussions that Furie had with DNR and other regulatory agencies regarding when drilling duration operations could begin and end, and Furie's concern for safe operations. The 2011 drilling season was originally scheduled to end on October 31, 2011. Furie was granted an extension to November 15, 2011 to mobilize the rig from the KLU #1 well. Due to low temperatures, Furie decided to cease drilling on October 28, 2011. The well was safely capped and secured on November 13, 2011. Severe weather delayed the tugs and the rig was ultimately under tow on November 22, 2011. The rig's arrival in Port Graham for winter layup was delayed due to weather and rough seas until November 24, 2011. Furie was in communication regarding the status of the rig with the regulatory agencies throughout these events.

Bringing the rig to Alaska from the Gulf of Mexico was an enormous undertaking, especially given the severe weather conditions that accompanied that voyage. Preparing the rig for transportation, and transporting it around South America (the rig is too large to transit the Panama Canal) to Alaska, all the while being forced to deviate or stop for unanticipated weather and weather related repairs, consumed much of the 2011 drilling season. Approximately 24 days were lost due to extreme weather conditions experienced during transport and associated repairs. This time included:

- deviations from course and sheltering in Montevideo, Uruguay and the Chilean channels due to severe weather, and returning to course;

the extent development is justified. The POE reflects Furie's desire to continue responsible exploration of the KLU to assist Alaska in the development and production of much needed natural gas for Alaskans. The POE describes three exploration blocks (North, Central, and Southwest) that are structurally separated by faults and structural lows.⁶ Because of Alaska's need for natural gas and in light of the preliminary results of the KLU#1 well which is located in the Central Exploration Block, initial drilling activity is focused on that block.

Furie will re-enter the KLU#1 well in 2012 and continue drilling to evaluate the pre-Tertiary in 2012. Furie also plans to drill another well in 2012 in the Central Block and will continue drilling operations pursuant to appropriate regulatory approvals and prudent drilling practices. Depending on the results of these wells, Furie will, if appropriate, request approval of a Participating Area and Plan of Development and move forward with design and fabrication of production equipment and facilities during the 2012-2013 winter season.

Depending on the results of the 2012 drilling season, in 2013 Furie plans to drill either (1) two development natural gas wells or (2) an exploration well in either the North Exploration Block or the Southwest Exploration Block.

For 2014, Furie plans to drill one exploration well in the exploration block in which Furie has not yet drilled a well. If Furie does not meet this requirement, Furie shall select an exploration block that will contract out of the KLU to the extent that any acreage is not already within the boundary of an approved or pending participating area.

For 2015, Furie plans to drill one exploration well in either the North Exploration Block or the Southwest Exploration Block. If Furie does not meet this requirement, Furie shall select an exploration block that will contract out of the KLU to the extent that any acreage is not already within the boundary of an approved or pending participating area.

-
- time spent deviating from course to British Columbia for inspections of the rig legs and repairs required due to the rig shifting on the transport vessel during storms around South America, and returning to course; and
 - time expended holding the tow in Prince William Sound prior to entering Cook Inlet due to severe weather.

⁶ The leases within each block are shown in Kitchen Lights Unit, Exhibit A, Kitchen Lights Unit Tracts/Leases (Confidential) and Kitchen Lights Unit, Exhibit B, Map of KLU With Exploration Blocks (Confidential).

The POE requires Furie to conduct timely exploration, evaluation and development activities that will result in production sooner than if the leases were re-leased and explored individually. The commitments for the 2012 and 2013 years reflect the need to evaluate the pre-Tertiary and delineate and develop the natural gas resource that has been discovered, and the need to implement development options with an eye toward accelerated gas production. The commitments for 2014 and 2015 reflect the need to explore other blocks in the Unit and set forth the remedies for not meeting those commitments. Extending the Unit Agreement would ensure that the KLU will be explored and developed more quickly than if the leases were re-leased.

5. The Economic Costs and Benefits to the State and Other Factors.

Extension of the Unit Agreement would benefit the State by creating jobs associated with oil and gas exploration and development. The rig is already in Alaska and Furie has drilled the KLU #1 well. Extending the Unit Agreement would ensure timely exploration and development of the KLU. With timely exploration and development comes economic activity and jobs. Exploration and development will happen sooner if the Unit Agreement is extended than they would on a lease-by-lease basis.

As stated above, if the Unit were to terminate, the leases would have to be re-leased and the lessees would have to evaluate the acreage, obtain the necessary permits and acquire an appropriate offshore drilling rig to explore the Unit area. Furie has obtained a jack-up rig and has set forth a responsible and measured plan for exploration and development. Not extending the Unit Agreement would likely delay exploration and development by a number of years.

Extending the Unit Agreement would greatly benefit the State through additional oil and gas exploration and development in the face of a looming energy crisis. Not only will a commercial discovery lead to additional energy, the State will earn royalty and tax revenues over the life of the field.

Furie is committed to the safety of human health and the environment. Furie has been fully cooperative in providing information to DNR and other agencies and will continue to work with regulatory agencies to ensure full compliance and best oilfield practices.

Unitized development promotes the conservation of all natural resources, protects all parties of interest, and prevents economic and physical waste. The short term benefit of revenue from bonus bids in a lease sale is outweighed by the benefits of unitized development under Furie's POE and the benefits to Alaska residents of an accelerated natural gas development program.

Conclusion

An extension to the Unit Agreement satisfies the criteria in 11 AAC 83.303 by promoting conservation of all natural resources, promoting the prevention of economic and physical waste and providing for the protection of all parties in interest, including the State.

Extension of the Unit Agreement will further the goals of bringing new business and oil and gas activity to Alaska. Members of both the legislative and executive branches have signaled that this is a priority.

Furie intends to use all responsible and commercially reasonable efforts to meet its drilling commitments. Extending the KLU Unit Agreement as proposed will further safe exploration in Cook Inlet and promote the most immediate opportunity for additional gas development and production all of which would benefit the people of Alaska at a time of great need.

Please contact me if you have any questions or would like additional information.

Best regards,

Edward Page Oliver
President

Attachments:

Furie Operating Alaska, LLC/DNR Communications Log
Furie Operating Alaska, LLC/DNR Meetings Log
Furie Operating Alaska, LLC Chart of Permits
Kitchen Lights Unit, Exhibit A, Kitchen Lights Unit Tracts/Leases (Confidential)
Kitchen Lights Unit, Exhibit B, Map of KLU With Exploration Blocks (Confidential)
Kitchen Lights Unit, Exhibit G, Amended and Restated Plan of Exploration Filed in
Conjunction With Application to Extend Unit Agreement December 5, 2011

cc: Patricia Bettis, DNR

Furie Operating Alaska, LLC Kitchen Lights Unit #1 Chart of Permits

Authorizing Agency	Action / Authorization	Status / Date	Agency Contact	telephone	e-mail
U.S. Army Corps of Engineers	Section 10 Rivers and Harbors Act	Issued 08/12/11, POA-2006-312-M1	Jack Hewitt	(907) 753-2708	jack.i.hewitt@usace.army.mil
NOAA National Marine Fisheries Service	ESA Section 7 Consultation (beluga's)	Concurrence Issued 08/12/11	Barbara Mahoney	(907) 271-3023	barbara.mahoney@noaa.gov
U.S. Coast Guard	Notice of Arrival / Notice to Mariners	Completed	L.T. Nathan Menefee	(907) 271-6956	nathan.s.menefee@uscg.mil
Alaska Oil and Gas Conservation Commission	Permit to Drill	Issued 07/01/2011, PTD # 211-039	Winton Aubert	(907) 793-1231	winton.aubert@alaska.gov
Alaska Dept. of Environmental Conservation	ODPCP (Spill Plan)	Issued 06/30/2011	Laurie Silfven	(907) 269-7540	laurie.silfven@alaska.gov
U.S. Environmental Protection Agency, Region 10	NPDES General Permit AKG-31-5022	Issued, Notice of Coverage 05/19/11	Hanh Shaw	(206) 553-0171	shaw.hanh@epa.gov
Alaska Dept. of Environmental Conservation	Air Quality Permit AQ0982MSS02	Issued 05/10/11	Fathima Siddeek	(907) 485-5303	fathima.siddeek@alaska.gov
Division of Coastal and Ocean Management	ACMP Consistency Analysis & Review	Issued 03/03/11 (modified from 07/06/06)	Nina Brunie	(907) 334-2563	nina.brunie@alaska.gov
DNR Division of Oil and Gas	Unit Plan of Exploration, amended	Approved 03/14/11	Patricia Bettis	(907) 269-8451	patricia.bettis@alaska.gov
DNR Division of Oil and Gas	Unit Plan of Operations LO/CI 06-04	Approved 05/05/11	Brian Havelock	(907) 269-8807	brian.havelock@alaska.gov
Alaska Oil and Gas Conservation Commission	Shore Bottom Survey Clearance	Accepted 05/17/11	Steve Davies	(907) 793-1224	steve.davies@alaska.gov
NOAA National Marine Fisheries Service	Fisheries Impact Analysis	Completed 04/28/11, no impact	Amy Cox	(907) 271-5006	amy.cox@noaa.gov
National Oceanographic and Atmospheric Admin.	Waterway Navigation Report 2006-312-1	Completed 03/01/11	Bern Sherman	(301) 589-0177	ben.sherman@noaa.gov
Kenai Peninsula Borough	Coastal District Consistency	Completed 03/01/11	Gary Williams	(907) 714-2200	gwilliams@borough.kenai.ak.us
Alaska State Historical Preservation Office	Archeological Consultation	Completed 03/01/11	Judith Bitner	(907) 269-8721	judy.bitner@alaska.gov
Alaska Dept. of Environmental Conservation	Drilling Waste Storage Permit	not required	Nate Emery	(907) 269-7590	nathaniel.emery@alaska.gov
Alaska Department of Fish and Game	Title 41 Fish Habitat Permit	not required	Patricia Berkahn	(907) 714-2476	patricia.berkahn@alaska.gov

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

DEC 05 2011

DIVISION OF
OIL AND GAS

FURIE OPERATING ALASKA, LLC (f/k/a Escopeta Oil Co., LLC)
DNR COMMUNICATIONS¹

	DESCRIPTION	DATE
1.	DNR letter dated March 14, 2011 re Kitchen Lights Unit, Approval of Modification to Plan of Exploration	3/14/2011
2.	Email from DNR re requirement to supply proof of rig mobilization	3/21/2011
3.	Emails from/to DNR re response to 3/21/2011 email	3/23/2011
4.	Letter from DNR re Unit Plan of Operations Approval of the Kitchen Lights Unit Exploration with attachments <ul style="list-style-type: none"> * Final ACMP Consistency Determination and Alternative Measures * ADNRCook Inlet Offshore Drilling Stipulations * 2010 Cook Inlet Area Wide Mitigation Measures * Well Data Submittal Requirement 	5/5/2011
5.	Escopeta filed Report of Shallow Hazard Survey for rig location	5/24/2011
6.	Email from DNR requesting a status update for the rig and the anticipated departure date for the wet tow	7/14/2011
7.	Email from DNR scheduling 7/22/2011 meeting re Kitchen Lights Unit	7/19/2011
8.	Email from DNR rescheduling 7/22/2011 meeting	7/20/2011
9.	Rig Position and Drilling Reports	7/23/2011 – 11/28/2011
10.	Email from DNR re 7/22/2011 meeting re Kitchen Lights Unit with attached sign-in sheet	7/26/2011
11.	Email from/to DNR re Shallow Hazards Report	8/1/2011
12.	Email to/from Escopeta re questions about company name changes	8/4/2011 – 8/9/2011
13.	Email from Escopeta attaching flowchart and ownership summary as well as corporate minutes for the 4 organizations	8/8/2011

¹ This log only reflects communications since March 2011.

	DESCRIPTION	DATE
14.	Email from Escopeta attaching resumes for the core Alaska drilling operations team	8/10/2011
15.	Email from Escopeta attaching Robert Laule's resume	8/10/2011
16.	Email from DNR acknowledging receipt of resumes and requesting roles and responsibilities of individual members of Alaska drilling operations team	8/10/2011
17.	Email from Escopeta forwarding a copy of the High Resolution Geophysical Survey KLU #1 Site	8/10/2011
18.	Email from/to DNR re side scan sonar survey and Section 10 Rivers and Harbors Act Permit	8/10/2011
19.	Email from DNR requesting completion of the Information for Responsible Parties	8/10/2011
20.	Email from/to Escopeta re Rig Location/Site Clearance	8/10/2011 – 8/12/2011
21.	Email from/to Escopeta advising DNR that the Escopeta KLU #1 Hazards Report had been sent to DNR by email and by DVD	8/10/2011 – 8/15/2011
22.	Email exchanges with Watson (Escopeta) and DNR regarding surveys, permits and hazards report, site clearance and DNR visit to rig with the following attachment * KLU #1 High Resolution Geophysical Survey (final report submitted to DNR 8/1/2011)	8/10/2011 – 8/15/2011
23.	Email from/to Escopeta re Escopeta KLU #1 Hazard Survey and notifications to SHPO	8/10/2011 – 8/18/2011
24.	Email from Escopeta forwarding a copy of the Section 10 Rivers and Harbors Act authorization	8/12/2011

	DESCRIPTION	DATE
25.	<p>Letter from DNR regarding Kitchen Lights Unit with the following attachments</p> <ul style="list-style-type: none"> * Glen E. Vereb, U.S. Customs and Border Protection, letter dated November 8, 2010 * Bruce Webb e-mail dated August 10, 2011 * Bruce Webb e-mail dated August 11, 2011 * DOG, Kitchen Light Unit Plan of Operations Approval, dated May 5, 2011 * AOGCC Rig Inspection Spartan 151 e-mail dated March 9, 2011 * USCG e-mail dated July 29, 2011 	8/12/2011
26.	<p>Letter from Escopeta in response to DNR's 8/12/2011 letter with the following attachments</p> <ul style="list-style-type: none"> * Unit Plan of Operations Approval with attachments <ul style="list-style-type: none"> Final ACMP Consistency Determination and Alternative Measures Offshore Stipulations 2010 Cook Inlet Area Wide Mitigation Measures Well Data Submittal Requirement * Correspondence with DNR personnel re Jones Act, with attachments <ul style="list-style-type: none"> Alaska Coastal Management Program Final Consistency Determination Concurrence ADNR Cook Inlet Offshore Drilling Stipulations Mitigation Measures and Other Regulatory Requirements (Lessee Advisories) Cook Inlet 2010 DNR Division of Oil & Gas Well Data Submittal Requirement, January, 2011 * Submission to DNR re Corps of Engineers Section 10 Permit and National Marine Fisheries Service Concurrence, including NMFS Letter of Concurrence and COE permit * Submissions to DNR re Shallow Hazard Survey and reports re same * Resumes of leaders of Escopeta drilling crew * AOGCC Inspection/Spartan 151 pre-inspection requirements 	8/15/2011
27.	Email from Escopeta forwarding a draft copy of the Watson Shallow Hazards Survey Report	8/15/2011
28.	Email from Escopeta forwarding copy of Escopeta Hazards Survey Report titled "High Resolution Geophysical Survey KLU #1 Site"	8/15/2011
29.	<p>Letter from DNR in response to Escopeta's 8/15/2011 letter with the following attachments</p> <ul style="list-style-type: none"> * AOGCC Rig Inspection/Spartan 151 * USCG Outstanding Deficiencies dated March 1, 2011 	8/16/2011

	DESCRIPTION	DATE
30.	Email from Escopeta with Bruce Webb contact information	8/16/2011
31.	Email from/to Escopeta re Spartan 151 Weekly position report	8/17/2011 – 8/18/2011
32.	Email from/to Escopeta re Spartan 151 Movement Spreadsheet * Spartan 151 Movements.xlsx	8/18/2011
33.	Delivery to DNR of shallow hazard survey data and geophysical activity completion report	8/22/2011
34.	Email from/to Escopeta re acknowledging receipt of a copy of the letter sent to SHPO re Escopeta's KLU #1	8/22/2011
35.	Email to DNR forwarding copy of letter sent to SHPO re Escopeta's KLU #1	8/22/2011
36.	Email from/to DNR re confidentiality of Hazard Survey provided by Watson Company, Inc.	8/23/2011 – 9/01/2011
37.	Email from Escopeta with updated contacts list	8/24/2011
38.	Email from Escopeta advising of titles and responsibilities of key rig personnel	8/24/2011
39.	Letter from Escopeta in response to DNR's 8/16/2011 letter	8/24/2011
40.	Letter from Escopeta re entities involved in the KLU#1 Project and their relationships with the following attachments * Participation Agreement between Escopeta Oil Company, LLC and Taylor Minerals, LLC and Escopeta Oil of Alaska, LLC dated October 22, 2010 * Agreement between Escopeta Oil Company, LLC and Escopeta Oil of Alaska, LLC dated June 29, 2011 * Company minutes regarding Furie Petroleum Company, LLC, Advanced Capital Funding, LLC, Escopeta Oil of Alaska, LLC and Escopeta Oil Co., LLC * Escopeta Ownership Summary * Escopeta Entity Flowchart	8/24/2011
41.	DNR's acknowledgement of Escopeta's 8/24/2011 letter	8/24/2011

	DESCRIPTION	DATE
42.	Letter from Escopeta requesting approval for Escopeta to proceed with certain additional operations over weekend if AOGCC authorization is approved	8/25/2011
43.	Letter from DNR, in response to Escopeta's 8/25/2011 letter, advising that prior to spudding, Escopeta must provide DNR written confirmation that all rig inspection requirements are met and obtain written authorization from DNR to proceed with operations	8/25/2011
44.	Email from DNR regarding confidential information	8/26/2011
45.	Email from Escopeta regarding confidential information	8/29/2011
46.	Email from DNR regarding Operator Questionnaire for Unit Operators, with the following attachment * Operator Questionnaire	8/29/2011
47.	Email from Escopeta with change of members/managers of Escopeta with the following attachment * Notice of Change of Members and/or Managers for Escopeta Oil Company, LLC and Escopeta Oil of Alaska, LLC	8/30/2011
48.	Email from Escopeta regarding documents submitted	8/30/2011
49.	Email from Escopeta following up on 8/29/2011 conversation, requesting meeting and ensuring Escopeta's desire to be cooperative with the following attachment * Insurance coverage summary * May 23, 2011 letter from DNR to Escopeta and Proof of Financial Responsibility	8/30/2011
50.	Letter from DNR re AOGCC 8/29/2011 inspection, requesting additional information, and sending Operator Questionnaire	8/30/2011
51.	Email from Escopeta acknowledging DNR's 8/30/2011 letter	8/31/2011
52.	Email and letter from Escopeta requesting authorization to proceed with the drilling activities at the KLU#1	8/31/2011

	DESCRIPTION	DATE
53.	Email from Escopeta forwarding a letter from Escopeta requesting authorization to proceed with drilling activities <ul style="list-style-type: none"> * Letter from Escopeta to DNR dated August 31, 2011, requesting authorization to proceed with drilling operations in the Kitchen Lights Unit. 	8/31/2011
54.	Email from Escopeta regarding confidential data	9/1/2011
55.	Email from/to Escopeta regarding confidential documents	9/1/2011
56.	Letter from Escopeta providing information and documentation regarding Escopeta and Kitchen Lights Unit Operations in response to DNR's request for information dated August 30, 2011, with the following attachments <ul style="list-style-type: none"> * Power of attorney * Amended and Restated Company Agreements * Operating Agreement dated October 21, 2010 * Side Letter Agreement, dated October 22, 2010 * DEC Certificate of Financial Responsibility * Insurance summary and declaration pages of insurance policies * Balance sheets dated 12/31/10, 7/31/2011, and 6/30/2011 * Flowchart and summary of the relationships between companies * Corporate resolutions appointing officers and accepting Amended and Restated Company Agreements * Narrative explaining the entities involved in the KLU #1 project and their relationships * Lease Assignment and Participation Agreement * Agreement between Escopeta Oil Co., LLC, and working interest owners * Organization chart * Operator Questionnaire * Current Alaska business license (11/18/10 – 12/31/12) * Unanimous Written Consent of the Board of Managers of companies 	9/1/2011
57.	Email from DNR with attached DNR authorization to initiate drilling operations dated 9/2/2011	9/2/2011
58.	Email from Escopeta advising that Escopeta has spudded the KLU#1 well	9/2/2011
59.	Letter from DNR re DNR authorization to initiate drilling operations	9/2/2011
60.	Email from Escopeta notifying DNR that the well had been spudded	9/2/2011

	DESCRIPTION	DATE
61.	Email from DNR forwarding a pdf copy of DNR's authorization to initiate drilling operations * DNR letter dated September 2, 2011, authorizing Escopeta to initiate drilling operations based on the drilling plan approved by the AOGCC on July 1, 2011	9/2/2011
62.	Email from DNR regarding confidential information	9/6/2011
63.	Email and letter from Escopeta filing Application to Amend KLU Plan of Exploration with the following attachments * Amended Plan of Exploration for Kitchen Lights Unit Submitted October 13, 2011 * Letter from DNR dated September 2, 2011, authorizing initiation of drilling operations * Decision Approving the Application for Expansion of the Kitchen Unit Area to Form the Kitchen Lights Unit effective as of June 30, 2009 * Resumes of Core Personnel Thomas E. Hord Ed M. Ferguson Jerry L. Cloud Robert Laule Vladimir Katic	10/13/2011
64.	Email and letter from DNR authorizing continued drilling upon successful testing of the casing integrity and approval by AOGCC	10/13/2011
65.	Email from DNR re Kitchen Lights Unit Plan of Operation LOCI 06-004 with the following attachment * Letter from DNR dated October 13, 2011, authorizing Escopeta to continue drilling operations based on the drilling plan approved by AOGCC	10/13/2011
66.	Email from/to Escopeta re meeting re Escopeta's proposed Amended Plan of Exploration	10/13/2011 – 10/14/2011
67.	Email from DNR re meeting to discuss the Kitchen Lights Unit Plan of Exploration proposal with Escopeta	10/24/2011
68.	Email from Escopeta attaching additional personnel information	10/24/2011
69.	Email from DNR rescheduling meeting	10/24/2011
70.	Email from DNR attaching attendance sheet from meeting	10/26/2011

	DESCRIPTION	DATE
71.	Email from DNR following up on conversation concerning activities according to the Unit Plan of Operations Approval dated May 5, 2011	10/27/2011
72.	Email from DNR re Escopeta Activities and requirements	10/27/2011
73.	Email from DNR scheduling 11/9/2011 meeting	10/28/2011
74.	Email from Escopeta re Status Report due on or before November 1 for the Plan of Operations with the following attachment * Kitchen Lights Unit Status Report dated October 31, 2011	10/31/2011
75.	Email string from/to Furie re Spartan 151 Rig Winter Storage	11/02/2011 – 11/16/2011
76.	Revised Plan of Exploration * KLU map with exploration blocks * KLU #1 well analysis * Forest Oil Corporation Alaska Business Unit Review Presentation	11/9/2011
77.	Email from Furie re Seismic Locations #1, #2, #3, and #4 – Kitchen Lights Unit, Cook Inlet Basin with the following attachments * Cover letter from Escopeta re Seismic Locations #1, #2, #3, and #4 – Kitchen Lights Unit, Cook Inlet Basin * KLU #1 Drilling Update – Maps and 2D Seismic Data * KLU #2 Proposed Location – Maps and 2D Seismic Data * KLU #3 Proposed Location – Maps and 2D Seismic Data * KLU #4 Proposed Location – Maps and 2D Seismic Data	11/10/2011
78.	Email from/to Furie, re weather forecast for Stacey Foss, route from Prince William Sound to Inside Passage and location of winter storage of rig	11/10/2011 – 11/14/2011
79.	Email from/to Furie re current location of Spartan 151 Rig	11/21/2011
80.	Letter to DNR re KLU Confidential Data, Structure Map and KLU#1 Log Analysis * Kitchen Lights Unit, Top of Tyonek Structure Map with Exploration Blocks * Kitchen Lights Unit Amended Plan of Exploration Submitted October 13, 2011, Revised November 9, 2011 * Reports by NuTech Energy Alliance	11/28/2011

	DESCRIPTION	DATE
81.	Email from/to Furie re Status of Spartan 151 Rig	11/28/2011
82.	Email from Furie re additional info re KLU POE for 2014 and 2015	11/29/2011
83.	Letter from Furie re Kitchen Lights Unit #1 well, Confidential data with certain confidential data attachments	12/1/2011
84.	Email to DNR re Port Graham location	12/2/2011

**FURIE OPERATING ALASKA, LLC MEETINGS/TELEPHONE
CONFERENCES WITH DNR¹**

DATE	FORUM	TOPIC
7/15/11	Telephone	unit matters, plan of exploration
7/19/11	Telephone	unit matters, rig status
7/20/11	Telephone	rig status
7/21/11	DNR	unit matters, plan of exploration
7/22/11	DNR	unit matters, plan of exploration
7/22/11	Telephone	unit matters
7/23/11	Telephone	unit matters
7/25/11	Telephone	unit matters, plan of exploration, information needs
7/25/11	DOL – Telephone	unit matters, plan of exploration
7/26/11	Telephone	effects of name change, unit issues and information needs
7/28/11	Telephone	information needs
8/5/11	Telephone	information needs, unit matters, plan of exploration
8/8/11	Telephone	unit matters, plan of exploration
8/16/11	Telephone	rig status and permits
8/31/11	Telephone	authorization to proceed with drilling
9/1/11	DNR	drilling operations, unit matters, plan of exploration
9/1/11	Telephone	unit matters, plan of exploration

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

¹ This log only reflects meetings and telephone conversations since July 2011. This is not to suggest an absence of communication prior to this date regarding the Plan of Operations, permits, required reports and information filings, etc. Rather, the frequency of discussions increased in July 2011 and subsequent months with the jack-up rig's transport to and arrival in Alaska and these discussions were largely focused on the KLU POE, Unit matters, drilling operations and information requests from DNR.

DATE	FORUM	TOPIC
9/2/11	DNR	drilling operations, unit matters, plan of exploration
9/7/11	DOL – Telephone	plan of exploration, unit matters
9/12/11	Telephone	unit matters
9/13/11	DOL – Telephone	unit matters, plan of exploration
10/10/11	Telephone	continuing drilling operations
10/11/11	DNR	status of operations, plan of operations
10/17/11	DEC (DNR attended)	extension of drilling operations
10/21/11	Telephone	plan of exploration, unit matters, suspension of operations
10/26/11	DNR	plan of exploration
10/27/11	Telephone	plan of exploration, unit matters
10/31/11	Telephone	unit matters and drilling operations
11/1/11	Telephone	suspending operations
11/3/11	Telephone	plan of exploration
11/8/11	Telephone	meeting re plan of exploration
11/9/11	DNR	plan of exploration, KLU #1 well data
11/28/11	Telephone	plan of exploration, unit matters
11/29/11	Telephone	plan of exploration
12/1/11	DNR	KLU #1 well data

ATTACHMENT 4

CONFIDENTIAL

Kitchen Lights Unit, Exhibit A, Kitchen Lights Unit Tracts/Leases

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

84
Ed

ATTACHMENT 5

CONFIDENTIAL

Kitchen Lights Unit, Exhibit B, Map of KLU With Exploration Blocks

RECEIVED

DEC 05 2011

DIVISION OF
OIL AND GAS

8th
Fl

RECEIVED

DEC 05 2011

**KITCHEN LIGHTS UNIT
AMENDED AND RESTATED PLAN OF EXPLORATION FILED IN CONJUNCTION WITH APPLICATION TO EXTEND UNIT AGREEMENT DECEMBER 5, 2011¹ DIVISION OF OIL AND GAS
Revised "Exhibit G"**

Furie Operating Alaska, LLC (Furie), formerly Escopeta Oil Co., LLC hereby submits the following Five-Year Plan of Exploration for the Kitchen Lights Unit (KLU) effective October 13, 2011, to December 31, 2015. Furie makes these commitments absent an event beyond Furie's reasonable foresight and control as contemplated by 11 AAC 83.336 and is not waiving its ability to assert force majeure or any other matter relating to the duration of the KLU.

Furie proposes that the unit acreage be delineated into three exploration blocks. Exhibit A to the KLU Unit Agreement shows Kitchen Lights Unit Tracts/Leases that fall within each block. Exhibit B to the KLU Unit Agreement is a map of the KLU boundary showing the exploration blocks.²

Year 2011

Furie drilled the KLU #1 exploration well in the Central Exploration Block to a depth of 8805 MD. Pursuant to appropriate regulatory approvals, directives and prudent drilling practices, Furie suspended drilling operations for re-entry in 2012.³ This satisfied the prior work commitments for 2011.

Year 2012

1. Furie shall re-enter the KLU #1 and continue drilling the well to evaluate the pre-Tertiary zone.

¹ Furie applied to amend the Plan of Exploration on October 13, 2011 and submitted a revision to that proffered amendment on November 9, 2011 based on discussions with DNR staff. In addition to meetings on October 26, 2011 and November 9, 2011, Furie has discussed the Plan of Exploration, information requests from DNR and drilling operations with DNR telephonically and in person on a number of occasions beginning in July 2011.

² Both of these exhibits are included in this filing and marked confidential.

³ As shown in the DNR communications and meeting logs attached to the Application for an Extension of the KLU Unit Agreement filed simultaneously with this Amended and Restated POE, Furie has been in frequent contact with DNR throughout 2011, particularly from July through December, and has provided all information requested by DNR. Furie has also been in frequent contact with other regulatory agencies, including the AOGCC, ADEC and U.S. Coast Guard, and conducted drilling operations in full compliance with all permitting and regulatory requirements. Ultimately, weather conditions required a suspension of drilling operations for the 2011 season.

2. Furie shall commence drilling a second well in the Central Exploration Block and shall continue drilling operations pursuant to appropriate regulatory approvals, directives and prudent drilling practices.
3. If appropriate, Furie shall request approval of a Participating Area and Plan of Development.

Year 2013

1. Furie shall either (a) drill 2 development gas wells, locations and depths of these wells to be determined, or (b) drill one exploration well to the base of the Hemlock formation in either the North Exploration Block or the Southwest Exploration Block, location to be determined.
2. If appropriate, Furie shall request approval of a Participating Area and Plan of Development.

Year 2014

1. Furie shall drill one exploration well to the base of the Hemlock formation in an exploration block in which Furie has not yet drilled a well, location to be determined.
2. If Furie has failed to meet its 2014 drilling requirement as stated in this POE, Furie shall select an exploration block that will contract out of the KLU, except that any acreage that is contained within the boundary of an approved or pending participating area shall not be subject to contraction.

Year 2015

1. Furie shall drill one exploration well to the base of the Hemlock formation in either the North Exploration Block or the Southwest Exploration Block, location to be determined.
2. If Furie has failed to meet its 2015 drilling requirement as stated in this POE, Furie shall select an exploration block that will contract out of the KLU, except that any acreage that is contained within the boundary of an approved or pending participating area shall not be subject to contraction.